

VZCZCXRO0882  
RR RUEHAO RUEHCD RUEHGD RUEHGO RUEHMC RUEHNG RUEHNL RUEHRD RUEHRG  
RUEHRS RUEHTM  
DE RUEHCV #1467 321224Z  
ZNY CCCCC ZZH  
R 172242Z NOV 09  
FM AMEMBASSY CARACAS  
TO RUEHC/SECSTATE WASHDC 0010  
INFO WESTERN HEMISPHERIC AFFAIRS DIPL POSTS  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC  
RHMFISS/HQ USSOUTHCOM MIAMI FL  
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC

C O N F I D E N T I A L CARACAS 001467

SIPDIS  
HQ SOUTHCOM ALSO FOR POLAD  
TREASURY FOR MKACZMAREK  
NSC FOR DRESTREPO  
NSC FOR LROSSELLO  
USDOC FOR 4332 MAC/ITA/WH/JLAO  
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA  
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC

E.O. 12958: DECL: 2019/11/17  
TAGS: [ECON](#) [VE](#)  
SUBJECT: BILATERAL TRADE FALLS OVER 50 PERCENT

REF: State pass to DEPT OF AGRICULTURE as info

CLASSIFIED BY: DUDDY, AMBASSADOR, DOS, AMB; REASON: 1.4(B), (D)

PETROLEUM EXPORTS AND AGRICULTURAL IMPORTS FALL

¶1. (SBU) On November 17, the local press widely published an announcement from the Venezuelan-American Chamber of Commerce and Industry (VENAMCHAM) that bilateral trade between Venezuela and the US had declined by over 50 percent in the first nine months of 2009, compared to the same period in 2008. According to the report, based on US government statistics, Venezuelan exports to the US dropped 50.9 percent during the third quarter of 2009, falling from USD 16.8 billion in 2008 to USD 8.2 billion this year. Petroleum and petroleum products made up the vast majority of Venezuela's exports to the US during this period, representing 96.6 percent of total exports at a value of USD 7.9 billion.

¶2. (C) In a related trend, Venezuela's imports from the United States declined 39 percent in the third quarter, dropping from USD 3.4 billion in 2008 to USD 2 billion this year. According to data from the Embassy's Agricultural Section, US agricultural exports to Venezuela have slumped across several major categories from January to September 2009 when compared to the same period in 2008, including bulk agricultural products (down from USD 767 million to USD 352 million), intermediate agricultural products (USD 406 million to USD 297 million), and consumer oriented products (USD 95 million to USD 78 million).

COMMENT

¶3. (C) While the onset of a recession and the fall of oil prices have contributed to the dramatic decrease in the value of bilateral trade, the GBRV has also pursued policies that have complicated Venezuela's trade relationship with the US. These include a currency control system that has limited access to foreign exchange, an inefficient regulatory framework that has often prohibited or intentionally delayed certain categories of imports, and a general preference to import from ideological allies instead of the US.  
DUDDY